Saskatchewan
Learning

Saskatchewan
Teachers' Superannuation
Commission

2003 – 2004
ANNUAL REPORT

Superannuation

Group Life Insurance

Dental

105-00647/

2003 – 2004 Annual Report

The Saskatchewan Teachers' Superannuation Commission
Room 226, 3085 Albert Street
Regina, Saskatchewan S4P 3V7

submits the:

Seventy-fourth Annual Report with respect to
The Teachers' Superannuation and Disability Benefits Act for the Year Ended June 30, 2004,

Forty-fourth Annual Report with respect to
The Teachers' Life Insurance (Government Contributory) Act Chapter T-8, R.S.S. 1978
for the Year Ended August 31, 2004, and

Nineteenth Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2003

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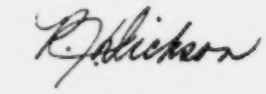
LETTER OF TRANSMITTAL

The Honourable Andrew Thomson
Minister in Charge,
Teachers' Superannuation Commission
Regina, Saskatchewan

Sir:

The Teachers' Superannuation Commission has the honour to submit the annual report outlining activities under *The Teachers' Superannuation and Disability Benefits Act* for the year ending June 30, 2004; *The Teachers' Life Insurance (Government Contributory) Act* for the period ending August 31, 2004 and *The Teachers' Dental Plan Act* for the period ending December 31, 2003.

Respectfully submitted,



P. J. Dickson (Mrs.)
Chairperson

PROFILE

The Teachers' Superannuation Commission (TSC) is established under *The Teachers' Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers ' Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers' Superannuation and Disability Benefits Act*, *The Teachers' Dental Plan Act*, and *The Teachers' Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers' Federation (STF). *The Teachers' Superannuation and Disability Benefits Act* is a negotiable matter under *The Education Act, 1995*.

The Teacher's Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers' Retirement Plan, for which administration has been transferred to the STF.

The Teachers' Superannuation Fund covers:
3,966 active teachers
9,680 pensioners/survivors
4,495 inactive teachers
326 disability recipients

As at June 30, 2004, the TSF has actuarial net assets available for benefits of $1.618 billion, actuarial accrued pension benefits of $4.112 billion, and an unfunded liability of $2.494 billion.

MORE ON-LINE AT WWW.STSC.GOV.SK.CA

Plan Governance At A Glance

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TEACHERS' SUPERANNUATION COMMISSION

MISSION

We consider our mission to deliver teacher benefits to the highest professional standard, combining accurate and up-to-date information with personalized client service.

MANDATE

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and related benefits to teachers. The various Acts (and regulations thereto) are the:

- *The Teachers' Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the Pension Benefits Act except in relation to investing the pension investments in accordance with the requirements for the investment of pension funds.

MORE ON-LINE AT WWW.STSC.GOV.SK.CA

OBJECTIVES

Our specific objectives associated with this organizational mandate are:

- communicate information and guidance to plan members
- collect pension contributions from all participating teachers
- accept additional contributions for the Voluntary Contributions Fund
- calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers
- assess, review and provide disability benefits to eligible teachers
- monitor the performance of the pension fund investments
- negotiate and administer reciprocal transfer agreements with other jurisdictions
- maintain appropriate financial records of the affairs of the Plan
- manage accurate and timely dental claims administration in conjunction with the service carrier
- administer the insurance claims associated with death and dismemberment in conjunction with the service carrier

GOVERNANCE

Pension governance is becoming increasingly important, and the Commission is taking action to enhance our processes in addition to that defined by legislation. Conflict of Interest, integrated risk management, investment policy and monitoring, roles and responsibilities clarification, and Commission member education have been the subject of recent governance workshops and will be the subject of considerable focus during the coming year.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of *The Teachers' Superannuation and Disability Benefits Act*, who at present is also the Minister of Learning (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister
- A Chairperson nominated by the other six members

All appointments are for a term of five years and are eligible for reappointment.

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

Commission member background

<table>
<tr><td colspan="2">Pat J. Dickson (Mrs.)
Chairperson
Former Executive Director, League of Educational Administrators, Directors and Superintendents of Saskatchewan (L.E.A.D.S) and former Director of Education, Saskatoon Board of Education</td></tr>
<tr><td>J. Michael Littlewood
Member and Vice-chair
Executive Director, Legislation and School Administration, Saskatchewan Learning</td><td>Lyle Vinish
Member
General Secretary, Saskatchewan Teachers' Federation</td></tr>
<tr><td>Brian Smith
Member
Executive Director, Public Employees Benefits Agency, Saskatchewan Finance</td><td>Shirley Humphries
Member
Executive Assistant, Saskatchewan Teachers' Federation</td></tr>
<tr><td>Don Trew
Member
Executive Director, Corporate Services, Saskatchewan Learning</td><td>George Georget
Member
Executive Assistant, Saskatchewan Teachers' Federation</td></tr>
</table>

Commission member attendance

Commission member attendance was 96% during the twelve months ended June 30, 2004. There are no sub-committees.

Commission member role

- TSC members, in addition to ensuring the provision of retirement and related benefits to teachers, are to provide for the responsibility of the Province to ensure that there are sufficient amounts to pay all allowances and other amounts as they become due and payable
- TSC members shall determine any question as to the application of *The Teachers' Superannuation and Disability Benefits Act*
- TSC members review and contribute to management's strategic plans
- TSC members review and agree upon the actuarial valuation assumptions
- The TSC expresses its investment strategy in its Investment Policy & Objectives Statement, and is in the process of being reviewed

ADMINISTRATION

The management and administrative team, representing fourteen members, are responsible for all the administrative functions that result in meeting the objectives outlined earlier. The strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members is the responsibility of management.

The management and administrative team also highlight certain policy decision items to the Commission members, including relevant recommendations, and responds to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the annual retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. Collaboration on these retirement-oriented activities ensures the teachers of Saskatchewan are well represented and informed through group and one-on-one counseling sessions.

Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. Relevant Commission members conduct formal and informal performance evaluation of management, with opportunity for mutual feedback. A new performance management process permits management to outline key planning objectives for review by the relevant Commission members.

The $1.5 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

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CONSULTANTS

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the fund and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services.

Given the specialist knowledge required in investment management, defined benefit plan valuations and certain calculations, and pension administration software, the TSC engages a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown and commuted value payments, and actuarial present value calculations for the purpose of portability agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections.

Investment managers provide the necessary expertise in managing the pensions assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members.

Securities custody services provide third party measurement and compliance reporting, and assists in monitoring performance of the investment manager.

Whenever required, legal consultation is provided by either the Department of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Outside information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems, disability systems and backbone network systems are securely maintained.

VALUATION

The Commission reviews the valuation assumptions periodically, in consultation with the actuary, in light of new expectations for the future. The current valuation assumes that the rate of return on TSF assets will be 7.0% per annum over the long term, which is down from 7.5% in the previous valuation.

Subsequent to the release of the 2003 financial statements, a full valuation was performed as at June 30, 2003. The valuation showed the TSF had an unfunded liability of $2.37 billion. The unfunded liability increased $0.64 billion from the previous June 30, 2001 valuation ($1.73 billion). The unfunded liability has grown primarily due to a decrease in assets of $0.15 billion and an increase in pension liabilities of $.49 billion. It is a pension environment characterized by eroded investment value and low interest rates resulting in higher pension benefit obligations.

The financial statements in this report are based on an extrapolation of the June 30, 2003 valuation results done by the actuary to the end of June 2004.

The government remains fully committed to meeting its legal and moral obligation to the teachers of Saskatchewan to pay pensions in accordance with the provisions of *The Teachers' Superannuation and Disability Benefits Act*.

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INVESTMENTS

The assets of the Teachers' Superannuation Fund and Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by RBC Global Services (Royal Trust), custodian of the investments on behalf of the Plan. Greystone Managed Investments Inc. is responsible for investing the funds. State Street Corporation is the custodian for the pooled fund investments on behalf of Greystone and its sub-advisor Goldman Sachs Asset Management.

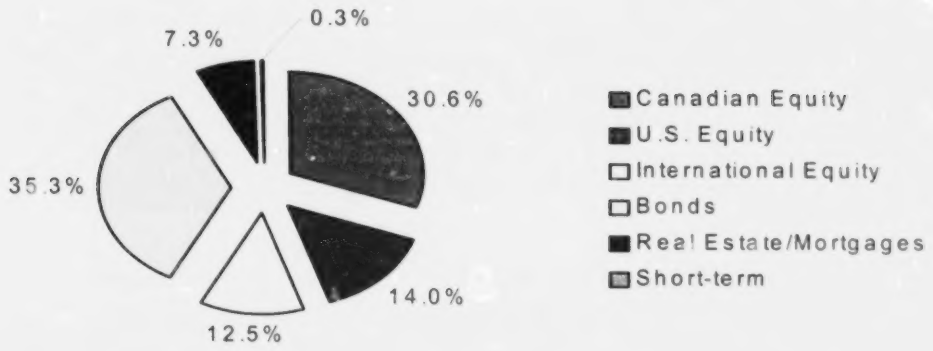
The TSC with the assistance of the investment manager and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy and Objectives Statement (IP&OS) include asset mix guidelines, and a benchmark portfolio against which the performance of the investment manager is measured. Individual asset class performance is also measured against their relevant, respective indices.

Short-term and long-term objectives for investment performance are outlined in the IP&OS, and active investment management has been chosen to achieve these results. The short-term objective is to achieve a total fund return in three out of four years of 1% above the 91-day Treasury Bill return. The relative long-term objective is to achieve a total rate of return 10% greater than the respective benchmark portfolio return for the respective fund

IP&OS asset mix guidelines

	Minimum %	Maximum %
Canadian Equity	20	50
Foreign Equity (i.e. U.S. and International Equity)	0	30
Bonds	30	60
Real Estate	0	7
Mortgage	0	5
Short-term	0	10

TSF portfolio asset mix at June 30, 2004



Investment performance measurement

TSF Rates of Return – Periods to June 30, 2004						
	1 Year		4 Years		10 Years	
Asset Class	Return	Benchmark	Return	Benchmark	Return	Benchmark
	%	%	%	%	%	%
Canadian Equity	23.9	24.5	5.5	-2.7	15.3	9.8
U.S. Equity	21.6	17.8	-5.0	-6.8	11.0	11.5
International Equity	23.2	30.6	-8.6	-6.2	4.1	3.7
Bonds	3.6	3.3	7.7	7.4	9.4	9.0
Real Estate	13.2	n/a	11.5	n/a	9.8	n/a
Total Fund	14.5	14.9	4.0	1.2	10.5	9.3

The TSC is currently in the process of reviewing its IP&OS, which is significant for making sure the desired risk and return goals are incorporated within the investment strategy. A key aspect of risk is managed through adequate portfolio diversification, and working in conjunction with the asset manager and actuarial consultants, the desired risk-adjusted return is established.

A four-year rolling average rate is used for the purpose of crediting interest to teacher accounts. This process is in place to protect all participants from the wide variations in the rate of return such as experienced during the recent years market declines.

PENSION ADMINISTRATION SYSTEMS

The pension administration software is crucial for the tracking of service, contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, significant upgrades to the administration software are taking place to ensure the underlying operating systems are actively supported by the various providers, and to permit increases in capacity and web-accessibility in the future. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity.

The Commission contracts with two long-term outside information technology providers. These two service providers possess the current and specific competencies needed to manage the risks effectively.

Risk Management

There are a number of risks pertaining to pension plan administration and the TSC, as part of governance processes, is developing an integrated risk management framework whereby key risks are identified, along with identification of how they will be managed and who is responsible. The outcome of this approach will be cost-effective management of risk and opportunities to add value.

Communication

Timely and transparent communications are an essential element of good pension governance, and the TSC strives to achieve this with its teacher members. Privacy legislation is impacting communication not only in relation to what types of information is communicated from the pension plan, but also in assessing what we collect directly from members.

Recent Federal and Provincial legislation in the area of privacy along with the implementation of a new Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns.

In addition to this annual report and the annual statements, the TSC website and email has become increasingly important as the preferred tools of communication and information exchange. The TSC website www.stsc.gov.sk.ca provides considerable information:

- Downloadable forms for Dental, Group Insurance, Disability, Reciprocal Transfers, personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, Disability and Group Insurance
- Various legislative Acts and Regulations administered by the Commission
- Recent actuarial valuation reports
- Recent annual reports and annual statement letters
- Contact information

MORE ON-LINE AT WWW.STSC.GOV.SK.CA

Future Plans

The inevitability of having to consider the future of the TSC, given that the plan was closed in 1980, is being addressed. The Commission has directed the Executive Director to research, analyze and present options to them, as to what to do with the TSC. A consensus approach has been elected by the Executive Director and accepted by the Commission in terms of achieving this directive. Implicit to this mandate is the preservation of the high level of service and seamless continuity in meeting the expectations of members. Also of high importance is the welfare of the administration team.

ORGANIZATION

The Commission acknowledges with sincere appreciation, the TSC's administrative team, whose efforts resulted in another successful year of service to the membership.

Michael Littlewood announced his retirement in June, having diligently served as a Commission member for fifteen years. Michael's leadership and countless hours of work has been instrumental in enhancing service to members, and successfully resolving many issues. We would like to recognize the significant contribution Michael has made and wish him well in his retirement. We look forward to welcoming Frances Bast of School Finance, Department of Learning to the Commission September 2004.

Lastly, the Commission expresses its appreciation to the Saskatchewan Teachers' Federation, the school boards and regional colleges, and the administrative staff within Department of Learning for their respective contributions to the success of the Commission.

TEACHERS' SUPERANNUATION PLAN

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980 when Government began to address the growing unfunded liability. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. The Annuity Plan later became the Saskatchewan Teachers Retirement Plan (STRP).

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions.

HIGHLIGHTS

As at June 30	**2004**	**2003**
Active Members	3,966	4,424
Inactive Members	**4,495**	**4,717**
Pensioners/Survivors	9,680	9,420
Disability Recipients	**326**	**341**
July 1, 2004 Retirements	292	261
Total Members	**18,759**	**19,163**

From July 1, 2003 to June 30, 2004 a total of 558 (previous year – 560) new allowances were granted and 287 (previous year – 284) allowances ceased due to death or discontinued benefits

On January 1, 2004, a Cost of Living Allowance increase of 2.6% (previous year - 1.3%) was applied to pension allowances and disability benefits

The investment earnings of 3.10% (previous year – 3.91%) were allocated to teachers in the Teachers' Superannuation Fund

The investment earnings of 11.10% (previous year – 2.68%) were allocated to the Voluntary Contributions Fund. There are 137 members with contributions in the Voluntary Contributions Fund

TEACHERS' GROUP LIFE INSURANCE PLAN

Legislation was introduced September 1, 1960 to provide group life insurance coverage for Saskatchewan teachers. The Minister of Finance is responsible for 50% of the premium to provide each teacher with the coverage as set out in the Provincial Collective Bargaining Agreement. The coverage for term and accidental death and dismemberment in 2003-04 was $133,000.

HIGHLIGHTS

As at August 31	2004		2003	
	$	No.	$	No.
Number of teachers		**18,547**		**18,489**
Total amount of insurance in force	**$2,281,813,200**		**$2,189,776,600**	
Premiums Paid:				
Minister of Finance	$ 1,500,808		$ 1,577,202	
Teachers	2,574,716		2,662,035	
Total Premiums Paid	$ 4,075,524		$ 4,239,237	
LESS:				
Number of Death Claims		55		53
Amount of Death Claims	$ (5,163,200)		$ (4,027,400)	
Number of New Disability Claims		2		3
Amount of Disability Claims	(201,164)		(252,917)	
Sums paid for the conversion of insurance	(51,740)		(22,385)	
The insurance company operating costs [1]	(200,711)		(204,534)	
Total	$ (1,541,291)		$ (267,999)	

(1) Represents

Premium tax	$ 109,459
Administration & Risk	69,324
Claim expenses	9,600
Interest expenses	12,328
Total	$ 200,711

TEACHERS' DENTAL PLAN

A dental plan was implemented effective January 1, 1986 for Saskatchewan teachers. The Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the Teachers' Dental Plan.

HIGHLIGHTS

- There were 54,698 claims processed
- It cost government $7,471,555 for dental benefits
- In 2003, the dental plan introduced the assignment of benefits to dental offices

TEACHERS' SUPERANNUATION COMMISSION MANAGEMENT REPORT, 2004

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

The accrued pension benefits are determined by an actuarial valuation. Actuarial valuation reports require best judgement in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2003 valuation and the extrapolation of the valuation results to June 30, 2004, appears on page 16.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 17.

The financial statements have been examined and approved by the Commission.

Dan Barnard

David Barnard,CA
Executive Director

Norma Knuth

Norma Knuth,CMA
Manager, Financial Operations

Regina, Saskatchewan
August 19, 2004

ACTUARY'S OPINION

Aon Consulting Inc. was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform actuarial valuations of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan and the Saskatchewan Teachers' Disability Benefits Plan (the "Plans") on an accounting basis as at June 30, 2003. Aon Consulting Inc. was further retained to prepare extrapolations of the valuation results to June 30, 2004 for inclusion in the Annual Report with respect to *The Teachers' Superannuation and Disability Benefits Act* for the Year Ended June 30, 2004.

The valuation and extrapolation of the Plans' actuarial assets and liabilities were based on:

- Membership and asset data provided by the Commission as at June 30, 2003;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Consulting Inc. and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plans' financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plans' future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plans.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation and the extrapolation. We also believe that the methods employed in the valuation and extrapolation and the assumptions used are, in aggregate, appropriate. Our opinions have been given, and our valuation and extrapolation have been performed in accordance with accepted actuarial practice.

Wayne R. Berney
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

Paul Hebert
Associate, Society of Actuaries

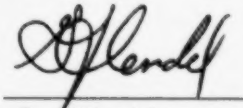
August 19, 2004

Auditor's Report To The Members Of The Legislative Assembly

I have audited the statement of net assets available for benefits and accrued pension benefits and unfunded liability of the Teachers' Superannuation Plan as at June 30, 2004, and the statements of changes in net assets available for benefits, and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits and accrued pension benefits and unfunded liability of the Plan as at June 30, 2004 and the changes in the net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
August 19, 2004

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1
Teachers' Superannuation Plan
Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Unfunded Liability
As at June 30

	2004			2003		
	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)
ASSETS						
Due from General Revenue Fund (Note 3)	$ 194	$ 21	$ 215	$ 403	$ 28	$ 431
Accrued investment income	4,727	-	4,727	6,362	-	6,362
Investments (Note 4):						
Bonds and debentures	574,052	-	574,052	608,772	-	608,772
Short-term	4,163	217	4,380	32,134	283	32,417
Equities	605,775	-	605,775	630,869	-	630,869
Pooled Funds	321,313	3,014	324,327	181,805	2,764	184,569
Mortgages	1,284	-	1,284	3,654	-	3,654
Real estate	117,535	-	117,535	109,628	-	109,628
	1,629,043	3,252	1,632,295	1,573,627	3,075	1,576,702
Contributions receivable:						
Teachers	1,533	-	1,533	1,804	-	1,804
General Revenue Fund	12,170	-	12,170	-	-	-
	13,703	-	13,703	1,804	-	1,804
Total assets	$ 1,642,746	$ 3,252	$ 1,645,998	$ 1,575,431	$ 3,075	$ 1,578,506
LIABILITIES						
Accounts payable:						
Other	$ 316	$ 1	$ 317	$ 258	$ 1	$ 259
General Revenue Fund	-	-	-	452	-	452
Total liabilities	316	1	317	710	1	711
Net assets available for benefits	1,642,430	3,251	1,645,681	1,574,721	3,074	1,577,795
Actuarial asset value adjustment	(24,793)	-	(24,793)	188,674	-	188,674
Actuarial value of net assets available for benefits	1,617,637	3,251	1,620,888	1,763,395	3,074	1,766,469
Actuarial accrued pension benefits (Statement 3)	4,111,528	3,251	4,114,779	3,713,480	3,074	3,716,554
Unfunded Liability	$ 2,493,891	$ -	$ 2,493,891	$ 1,950,085	$ -	$ 1,950,085

(See accompanying notes to the financial statements)

Statement 2
Teachers' Superannuation Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended June 30

	2004			2003		
	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)
INCREASE IN ASSETS:						
Investment Income:						
Interest	$ 37,816	$ 131	$ 37,947	$ 43,803	$ 131	$ 43,934
Dividends	15,445	-	15,445	14,869	-	14,869
Total investment income	53,261	131	53,392	58,672	131	58,803
Increase (decrease) in market values of investments	168,657	202	168,859	(51,694)	(43)	(51,737)
Contributions:						
- General Revenue Fund other contributions	58,657	-	58,657	30,806	-	30,806
- Teachers	16,322	57	16,379	17,210	109	17,319
- General Revenue Fund matching contributions	16,243	-	16,243	17,110	-	17,110
- Other transfers and contributions	3,090	-	3,090	2,737	-	2,737
Total contributions	94,312	57	94,369	67,863	109	67,972
Total increase in assets	$ 316,230	$ 390	$ 316,620	$ 74,841	$ 197	$ 75,038
DECREASE IN ASSETS:						
Marriage breakdown payments	$ 655	$ -	$ 655	$ 476	$ -	$ 476
Allowances to superannuates	236,797	-	236,797	223,450	-	223,450
Refunds and transfers	8,103	207	8,310	6,514	219	6,733
Investment expenses (Note 7)	2,966	6	2,972	2,263	6	2,269
Total decrease in assets	$ 248,521	$ 213	$ 248,734	$ 232,703	$ 225	$ 232,928
Increase (decrease) in net assets	67,709	177	67,886	(157,862)	(28)	(157,890)
Net assets available for benefits, beginning of year	1,574,721	3,074	1,577,795	1,732,583	3,102	1,735,685
Net assets available for benefits, end of year	$ 1,642,430	$ 3,251	$ 1,645,681	$ 1,574,721	$ 3,074	$ 1,577,795

(See accompanying notes to the financial statements)

Statement 3
Teachers' Superannuation Plan
Statement of Changes in Accrued Pension Benefits
For the Year Ended June 30

	2004 Superannuation Fund (Note 8) ($000s)	2003 Superannuation Fund ($000s)
Accrued pension benefits, beginning of year	$ 3,713,480	$ 3,621,000
INCREASE IN ACCRUED PENSION BENEFITS:		
Interest on accrued benefits	282,220	271,575
Benefits accrued	51,742	49,450
Impact of plan amendments	-	10,537
Impact of plan experience	25,196	-
Impact of assumption changes	293,039	-
	652,197	331,562
DECREASE IN ACCRUED PENSION BENEFITS:		
Benefits paid	254,149	239,082
	254,149	239,082
Accrued pension benefits, end of year	$ 4,111,528	$ 3,713,480

(See accompanying notes to the financial statements)

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for a defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of Plan

The following description is a summary only. For more complete information, reference should be made to *The Teachers' Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year. These amounts do not include disability benefit payments.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teachers' contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. This Fund is continued under the Act. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Investments

Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in market value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments on the last valuation date.

Short-term investments are valued at cost, which approximates market value.

Mortgages are recorded at fair value. Fair value is determined by discounting the present value of all income streams accruing to the mortgage. The discount rate applied to these income streams reflects the current market rate for comparable mortgages. Real estate is recorded at fair value as estimated by independent appraisals.

The fair value of the investments approximates the market value.

b) Actuarial Asset Value Adjustment

The actuarial value of net assets available for benefits is determined by reference to market trends consistent with assumptions underlying the valuation of accrued pension benefits. The actuarial asset value adjustment represents the difference between the actual and management's best estimate of return on the Superannuation Fund amortized over four years. Using this adjustment, fair value remains the underlying basis for asset valuation, but fluctuations are averaged over a four-year period. For years in between valuations, the actuarial asset value adjustment is extrapolated.

3. Due From General Revenue Fund

The Plan's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Funds' share of this interest is allocated and paid by the GRF on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2003-2004 was 2.50% (2002-2003 - 2.83%).

4. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian and foreign equities, pooled funds, money market securities, bonds, mortgages and real estate. The Plan's investments are exposed to the following risks:

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates. Interest rate risk is managed by investing in bonds and debentures with varying durations.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Commission limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard & Poor's Ratings Service.

c) Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments. The Commission manages the foreign currency risk by limiting the Plan's holdings of foreign investments to 30% of the book value of the entire investment portfolio.

d) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

e) Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Plan's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the book value of the Plan's portfolio.

Short-term Investments

These investments are comprised of T- Bills, notes and commercial paper with effective interest rates of 2.06% to 2.85% (2003 – 2.96% to 3.66%) and a weighted average term to maturity of 44 days (2003 – 101 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits its investment concentration in any one investee or related group to no more than 10% of that corporation's book value of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service or be specifically approved by the Commission.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below.

		2004			2003		
	Years to Maturity	Market Value ($000s)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Market Value ($000s)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds							
Government of Canada	1-5	$ 144,181	4.03	4.00	$ 114,659	3.18	4.26
	6-10	90,799	4.92	5.00	133,799	4.17	4.75
	20+	101,033	5.31	5.75	62,142	5.07	5.75
Provincial & Provincially	1-5	20,750	4.02	5.30	35,135	3.35	4.52
Guaranteed Bonds	6-10	42,232	5.01	5.93	57,625	4.53	6.04
Other Provinces	11-15	8,291	5.47	5.89	10,269	5.09	6.13
	16-20	-	-	-	5,119	5.10	5.50
	20+	32,953	5.82	6.24	42,497	5.51	6.40
Saskatchewan	1-5	-	-	-	5,468	3.92	5.50
	6-10	2,632	5.10	5.25	3,164	4.77	5.25
	20+	7,871	5.78	6.21	9,768	5.51	6.19
Municipal	20+	3,198	5.94	5.90	3,325	5.66	5.90
Corporate Bonds	1-5	50,177	4.26	5.25	67,425	3.93	6.00
	6-10	42,496	5.28	5.95	50,979	4.95	6.29
	11-15	8,427	5.48	5.56	-	-	-
	16-20	7,099	5.77	6.78	4,605	6.01	7.18
	20+	11,913	6.60	6.82	2,793	6.16	6.05
		$ 574,052			$ 608,772		

These bonds all meet the minimum quality standard of a BBB rating as measured by a recognized credit rating service. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

	2004	2003
	(market values) ($000s)	
Common shares		
Canadian	$ 496,527	$ 436,733
Foreign	109,248	194,136
	$ 605,775	$ 630,869

The Plan's investment policy limits any holding to represent no more than 10% of the outstanding shares of the issuing corporation. Foreign equities and pooled funds are denominated in Canadian dollars and are limited to 30% of the book value of the portfolio. The Superannuation Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the

year was 2.50% (2003 - 2.29%).

Pooled Funds

The Superannuation Fund holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager. The Teachers' Superannuation Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2004	2003	2004	2003	2004	2003	2004	2003
	(000s)				($000s)		($000s)	
Greystone EAFE Plus Fund	22,076	23,931	18.37	19.27	$ 203,080	$ 181,805	$ 21,275	$ (31,727)
Greystone US Strategic Growth Fund	3,362	-	55.33	-	38,248	-	3,123	-
Greystone US Strategic Value Fund	3,266	-	55.33	-	40,471	-	7,016	-
Greystone US Growth Equity Fund	3,107	-	26.18	-	39,514	-	5,153	-
					$ 321,313	$ 181,805	$ 36,567	$ (31,727)

Mortgages

Investments in mortgages consist of Canadian properties. The net yield at the time of commitment is expected to exceed the yield on "A" rated bonds of similar terms by a minimum of 1.5% after administration fees. Principal and interest are received on a monthly basis.

Real Estate

Investments in real estate consist of Canadian property and are subject to approval by the Commission before each acquisition. Included in real estate are investments in related real estate corporations (see Note 7).

Voluntary Contributions Fund

Pooled Funds

The Voluntary Contributions Fund holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager. The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2004	2003	2004	2003	2004	2003	2004	2003
	(000s)				($000s)		($000s)	
Greystone EAFE Plus Fund	17	17	0.01	0.01	$ 157	$ 130	$ 30	$ (21)
Greystone Canadian Fixed Income Fund	155	149	0.73	0.99	1,565	1,557	55	164
Greystone Canadian Equity Fund	53	55	0.24	0.28	1,085	929	206	(42)
Greystone US Equities Pooled Fund	19	16	0.42	0.35	207	148	35	(20)
Greystone Money Market Fund	22	28	0.45	0.68	217	283	7	7
					$ 3,231	$ 3,047	$ 333	$ 88

5. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in market values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment earnings less investment expenses of $327,386 to teachers' accounts (2003 - $82,264).

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated from the GRF to the Department of Learning by the Legislature. Accordingly, no provision for these costs is included in these financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are to be paid directly by each fund. The annual expenses for custodial fees and investment management fees paid to RBC Global Services and Greystone Managed Investments Inc., respectively are as follows:

	2004			2003		
	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)	Superannuation Fund ($000s)	Voluntary Contributions Fund ($000s)	Total ($000s)
Custodial fees	$ 117	$ 3	$ 120	$ 116	$ 3	$ 119
Investment and asset management fees	2,849	3	2,852	2,147	3	2,150
	$ 2,966	$ 6	$ 2,972	$ 2,263	$ 6	$ 2,269

b) Investment Management Services

Greystone Managed Investments Inc. (GMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Teachers' Superannuation Fund is a shareholder in GMI. The Teachers' Superannuation Fund holds 223,811 common shares (2003 - 223,811 common shares) representing 14.05% of the total shares outstanding in GMI (2003 - 14.5%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $10,503,433 (2003 - $18,400,181) and income including change in market value of $482,768 (2003 - $2,300,258). In addition, included in the totals for bonds and debentures and income are Greystone Capital Management Inc. holdings of $800,000 (2003 - $1,000,000) and income including change in market value of $60,430 (2003 - $74,430).

Included in the total real estate investment at year-end are SaskPen Properties Ltd. holdings of $3,614,112 (2003 - $3,832,289) and a loss in market value of $218,177 (2003 – gain of $221,811). SaskPen Properties Ltd. is a real estate corporation owned by Government of Saskatchewan managed public sector pension plans.

Other transactions with related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

8. Actuarial Valuation - Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. Aon Consulting Inc. prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2003, and an extrapolation was made to June 30, 2004. Previous to this Aon Consulting Inc. prepared an actuarial valuation as at June 30, 2001, and an extrapolation was made to June 30, 2003.

The pension liability is based on a number of assumptions about future events including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued pension benefits were:

- salary increases at 3.5%
- interest rate at 7.0%
- inflation at 3.0%

Previously, the June 30, 2001 valuation used the long-term assumption of salary increases 4.6% per annum for the first year and 3.5% thereafter, interest rate 7.5% and inflation rate 3.0%.

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.5%, interest rate 7.0% and inflation rate 3.0%. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, is affected by other assumptions that have an interest component. In the scenario of the 1% reduction in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also reduced by 1%.

Effect on Liability	Long-term assumptions					
	Salary		Interest rates		Inflation	
	2.5%	4.5%	6.0%	8.0%	2.0%	4.0%
Increase (decrease) ($000s)	$(32,776)	$34,458	$484,419	$(398,726)	$113,061	$(107,111)

Assumption changes have caused an increase in accrued pension benefits liability of $293 million. Most of this results from the decrease in the interest rate from 7.5% to 7.0%. The remainder of the increase is caused by the change to the salary assumptions and the use of actual pensioner spousal ages.

The impact of the plan experience due to earlier retirements and less terminations than expected offset by mortality being different than expected caused an increase in the accrued pension liability of $25 million.

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Teachers' Superannuation Commission. The Commission reviews the investment performance of the Funds in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2004 annual return	Rolling four-year average annual return
Teachers' Superannuation Fund [1]	14.50%	4.00%
Target rate of return [2]	16.39%	1.32%
Voluntary contributions [1]	11.00%	5.00%
Target rate of return [2]	12.54%	3.30%

[1] The annual returns are before deducting investment expenses

[2] The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the weighted actual returns of certain market indices (for example - TSX total return, Scotia Capital Universe Bond Total Return Index, etc.)

10. Disability Benefits

The annual amount of disability benefits is determined by applying the regular allowance formula and is payable to a teacher who:

- is disabled because of total physical or mental incapacity for teaching;
- has 10 years of service;
- has at least three years of service in the five years preceding disablement; and
- has not attained age 65.

Payments may be discontinued or reduced on recovery or re-employment. The allowance is recalculated at age 65 to include service while on the Saskatchewan Teachers' Federation Income Continuance Plan.

Section 38(2) of the Act states the disability benefits are a charge on and payable out of the GRF. The $5,952,150 (2003 - $6,971,269) in disability benefits flowed through the Teachers' Superannuation Fund for administrative purposes only and is not reflected in these financial statements. The GRF provided contributions equal to the disability benefits.

Disability Benefits - Actuarial Valuation

The present value of accrued disability benefits was determined using the projected benefit method prorated on services and the best estimate assumptions approved by the Teachers' Superannuation Commission. Aon Consulting Inc. prepared an actuarial valuation of the Teachers' Disability Benefits Plan as at June 30, 2003, and an extrapolation was made to June 30, 2004. Previous to this Aon Consulting Inc. prepared an actuarial valuation of the Teachers' Disability Benefits Plan as at June 30, 2001, and an extrapolation was made to June 30, 2003.

The actuarial present value of benefits as at June 30, 2004 and the principal components of change in actuarial present values during the year were as follows:

	2004 ($000s)	2003 ($000s)
Actuarial present value of accrued disability benefits, beginning of year	$ 77,693	$ 78,000
INCREASE IN ACCRUED DISABILITY BENEFITS:		
Interest on accrued benefits	3,147	5,850
Benefits accrued	575	1,075
	3,722	6,925
DECREASE IN ACCRUED DISABILITY BENEFITS:		
Benefits paid	6,160	7,232
Impact of plan experience	10,913	-
Impact of assumption changes	21,830	-
	38,903	7,232
Actuarial present value of accrued disability benefits, end of year	42,512	77,693
Net assets available for benefits	-	-
Unfunded liability	$ 42,512	$ 77,693

The disability liability is based on a number of assumptions about future events, including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued disability benefits were the same as for determining the accrued pension benefits (see Note 8).

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.5%, interest 7.0% and inflation 3.0%.

Effect on Liability	Long-term assumptions					
	Salary		Interest rates		Inflation	
	2.5%	4.5%	6.0%	8.0%	2.0%	4.0%
Increase (decrease) ($000s)	$(372)	$386	$1,911	$(1,776)	$483	$(472)

The disability liability is long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value for the disability liability is not practicable.

Assumption changes caused a $21.8 million decrease in the liability for disability benefits. Most of this decrease is caused by a change in the disability retirement age assumption from age 65 to the earlier of age 65 or when 35 years of service is attained for currently disabled members.

Plan experience caused a decrease in the liability of $10.9 million. Most of this decrease is caused by earlier retirements than expected.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income and proceeds from the sale of investments expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The forecast of cash inflows and outflows have been determined using the long-term assumptions outlined in Note 8. All amounts shown are based on actual dollar forecasts.

The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2034:

	Cash inflows				
	Teachers Contributions ($000s)	GRF Contributions ($000s)	Investment Income ($000s)	Cash Outflows ($000s)	Cash Required ($000s)
2004-05	$ 14,151	$ 93,205	$ 105,000	$ 257,470	$ 45,114
2005-06	12,925	76,124	100,813	269,078	79,216
2006-07	11,587	87,803	95,210	281,038	86,438
2007-08	10,123	78,001	88,362	292,971	116,485
2008-09	8,523	76,343	79,680	305,072	140,526
Total within 5 years	$ 57,309	$ 411,476	$ 469,065	$ 1,405,629	$ 467,779
Total 6 to 10 years	$ 21,596	$ 753,715	$ 247,848	$ 1,693,450	$ 670,291
Total 11 to 30 years	$ 4,401	$ 6,130,796	$ 406,009	$ 6,586,366	$ 45,160

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- GRF and other accounts payable

For investments, fair values are considered to be market value, the calculation of which is described in Note 2.

The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

Schedule 1
Teachers' Superannuation Fund
Schedule of Investments and Accrued Interest As At June 30, 2004

	2004		2003	
	Total Valued At Market ($000s)	Accrued Interest ($000s)	Total Valued At Market ($000s)	Accrued Interest ($000s)
Canada and Canada Guaranteed	$ 336,013	$ 1,919	$ 310,600	$ 2,416
Provincial and Provincially Guaranteed	114,729	1,133	169,045	1,468
Urban Municipalities and Hospitals	3,198	15	3,325	15
Corporate Debentures	120,112	994	125,802	1,180
Corporate Shares	605,775	641	630,869	988
Pooled Funds	321,313	–	181,805	–
Insured Mortgages - Principal and Real Estate	118,819	5	113,282	14
Short Term	4,163	20	32,134	281
Total	$ 1,624,122	$ 4,727	$ 1,566,862	$ 6,362

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
DEBENTURES:			
Government of Canada	Dec. 01, 2003	–	$ 2,287,897
Government of Canada	Jun. 01, 2005	3.50	29,374,619
Government of Canada	Jun. 01, 2006	3.00	40,810,121
Government of Canada	Dec. 01, 2005	3.00	365,795,374
Government of Canada	Jun. 01, 2008	6.00	91,091,860
Government of Canada	Jun. 01, 2013	5.25	375,896,343
Government of Canada	Jun. 01, 2014	5.00	123,517,376
Government of Canada	Jun. 01, 2033	5.75	263,300,867
Aeroports De Montreal	Oct. 11, 2033	6.61	2,343,000
Alberta Capital Finance Authority	Dec. 02, 2013	5.00	5,832,749
Bank of Montreal	Jan. 31, 2011	4.69	2,642,419
BC Ferry Service Inc.	May 27, 2014	5.74	2,186,169
Bell Canada	Mar. 16, 2035	6.10	1,635,968
Canada Housing Trust	Dec. 15, 2008	4.10	53,250,270
Canadian Imperial Bank of Commerce	Apr. 01, 2005	2.08	200,000
Canadian Tire	Feb. 24, 2034	6.32	2,437,707
Citigroup Financial Canada	Aug. 05, 2008	4.30	1,584,032
Financement Quebec	Dec. 01, 2009	4.75	2,253,981
Glacier Credit Card Trust	Nov. 20, 2008	4.44	4,544,994
Golden Credit Card	Oct. 15, 2008	4.16	4,829,874
Greater Toronto Airports	Feb. 02, 2034	6.47	2,954,656
Household Finance	Apr. 13, 2009	4.20	1,911,924
Loblaw Cos Ltd.	Nov. 20, 2013	5.40	1,864,708
Merrill Lynch Cda. Finance Co.	Sep. 12, 2008	4.70	2,794,762
MLFA CMBS CAN	Jun. 12, 2013	5.25	3,565,000
N-45 CMBS	Nov. 15, 2013	5.67	1,776,982
Ontrea Inc.	Apr. 09, 2013	5.57	2,947,993
Province of British Columbia	Dec. 01, 2009	6.25	5,407,874
Province of British Columbia	Jan. 09, 2012	5.75	5,385,388
Province of Manitoba	Dec. 03, 2013	5.05	2,585,214
Province of New Brunswick	Dec. 06, 2012	5.88	7,585,329
Province of Ontario	May 01, 2006	–	15,799,475
Province of Ontario	Sep. 08, 2006	3.50	4,204,963
Province of Ontario	Dec. 02, 2011	6.10	9,411,669
Province of Ontario	Dec. 02, 2012	5.38	8,464,928
Province of Ontario	Jun. 02, 2013	4.75	658,204
Province of Ontario	Mar. 08, 2014	5.00	3,610,396
Province of Ontario	Mar. 08, 2029	6.50	5,912,154
Province of Ontario	Mar. 08, 2033	5.85	10,490,580
Province of Quebec	Dec. 01, 2005	6.50	4,321,193
Province of Quebec	Jun. 01, 2009	5.50	2,485,781
Province of Quebec	Jun. 01, 2032	6.25	3,257,791
RBC Capital Trust	Dec. 31, 2013	5.81	4,177,000

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Royal Bank of Canada	Nov. 04, 2018	5.45	4,764,023
Royal Bank of Canada	Jun. 18, 2014	5.95	2,013,000
Sun Life Assurance	Jun. 30, 2022	6.15	1,484,581
Toronto Dominion Bank	Sep. 05, 2013	4.54	2,905,215
Transcanada Pipelines	Jan. 15, 2014	5.65	2,899,972
Transcanada Pipelines	Feb. 05, 2026	8.29	3,036,841
Wells Fargo Finacial CDA	Jun. 29, 2009	4.75	1,501,218
York Receivables Trust	Jul. 21, 2008	4.27	4,492,520
SHARES:			
Accenture Ltd.		–	244,323
Activision Inc.		–	278,033
Aetna Inc.		–	336,491
Alcan Inc.		–	10,813,786
Alcoa Inc.		–	272,020
Allergan Inc.		–	190,806
Alliant Technology Systems		–	391,994
Altria Group Inc.		–	652,952
Ambac Financial Group		–	909,099
American Standard Co.		–	1,053,186
American International Group Inc.		–	409,102
Amgen Inc.		–	440,086
Amphenol Corporation		–	592,442
Anheuser Busch Companies		–	152,476
Apache Corp.		–	285,863
Apogent Tech Inc.		–	573,972
Aramark Corp.		–	669,035
Autozone Inc.		–	55,333
Avalonbay Communities		–	205,081
Avocent Corp.		–	591,161
Avon Products Inc.		–	595,766
Bank of America Corporation		–	116,129
Bank of Montreal		–	856,546
Bank of Nova Scotia		–	1,154,776
Bank One Corporation		–	358,102
Barra Inc.		–	472,593
Barrick Gold Corp.		–	533,550
Baxter International Inc.		–	495,589
Best Buy Inc.		–	3,758,867
Bowater Inc.		–	304,532
Brinks Company		–	331,084
Bristol Meyers Squibb		–	111,971
Brunswick Corp.		–	1,118,600
Burlington Resources		–	665,573
Cablevision System Corp		–	597,505

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Cameco Corp.		–	213,736
Canadian Imperial Bank of Commerce		–	21,126,003
Canadian National Railways		–	499,669
Canadian Natural Resources		–	848,588
Capital One Financial		–	973,125
Cardinal Health Inc.		–	799,852
Caremark RX Inc.		–	430,286
CDW Corporation		–	438,733
Cendant Corp		–	822,636
Centurytel Inc.		–	180,434
CGI Group Inc.		–	1,014,609
C H Robinson Worldwide		–	334,143
Charles RIV Labs Int.		–	742,803
Checkfree Corp.		–	579,085
Chevron Texaco Corp		–	69,613
Chico's Fas Inc		–	480,602
Church & Dwight Co. Inc.		–	220,422
Cisco Systems Inc.		–	1,076,264
Citadel Broadcasting		–	528,219
Citigroup Inc.		–	3,265,092
Clear Channel Communications		–	722,269
Coach Inc.		–	482,929
Coca Cola Co.		–	323,780
Cognos Incorporated		–	350,116
Colgate Palmolive Co		–	384,890
Computer Association Int. Inc.		–	601,766
Conoco Phillips		–	415,319
Cott Corp.		–	522,301
Countrywide Financial		–	659,784
Covance Inc.		–	442,279
Cox Communications		–	589,511
Crown Castle International		–	273,489
Deere & Co.		–	379,168
Dell Inc.		–	932,651
Dollar Tree Stores		–	600,943
Dominion Res Inc		–	233,019
Domtar Inc.		–	382,966
Eaton Corp.		–	723,686
Ebay Inc.		–	258,932
Echostar Communications		–	949,402
Electronic Arts		–	372,102
Eli Lilly & Co.		–	839,916
EMC Corp Mass		–	332,691
Encana Corporation		–	634,115

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Energizer Holdings Inc.		–	356,669
Energy East Corp		–	255,255
Energy Partners Ltd.		–	155,246
Entercom Communications Corp.		–	412,668
Entergy Corp.		–	487,264
Entravision Communications		–	548,531
Ethan Allen Interiors		–	483,776
Exelon Corp		–	514,609
Express Scripts Inc.		–	118,029
Exxon Mobil Corp.		–	280,816
Falconbridge Ltd.		–	8,403,926
Family Dollar Stores		–	865,801
Federal National Mortgage Assoc.		–	405,224
Fedex Corporation		–	396,845
Finning International		–	738,814
First Data Corp		–	1,035,572
First Energy Corp		–	231,463
Forzani Group Ltd.		–	103,080
Fox Entertainment Group		–	294,203
Franklin Resources Inc.		–	1,632,903
Freddie Mac		–	1,818,140
Gannett Inc.		–	209,270
Garmin Ltd.		–	111,084
General Electric Co.		–	222,294
General Motors		–	398,738
Gentex Corp		–	571,994
Golden West Financial		–	199,004
Grainger W W Inc.		–	476,974
Greystone EAFE Plus Fund		–	3,660,936
Greystone US Midcap Growth		–	35,298,595
Greystone US Strategic Value		–	33,834,416
Greystone US Strategic Growth		–	35,295,545
Harman International Industries		–	725,780
Harrahs Entertainment Inc.		–	733,331
Health Management Assoc		–	493,891
Hewlett Packard Co.		–	398,508
Home Depot Inc.		–	71,175
Hooper Holmes Inc		–	451,077
Idec Pharmaceuticals		–	336,597
Integrated Circuit		–	325,322
International Business Machines		–	346,535
Intel Corp		–	1,340,011
Intuit		–	694,054
Iron Mountain Inc.		–	120,438
Istar Financial Inc.		–	362,329

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
ITT Educational Services		--	398,425
ITT Industry Inc.		--	307,355
Johnson & Johnson		--	952,963
Joy Global Inc.		--	1,230,849
JP Morgan Chase & Co.		--	506,385
KB Home		--	539,622
Key Corp		--	201,680
KLA-Tencor Corp		--	429,796
Laboratory Corporation America		--	329,413
Lamar Advertising Co		--	1,147,355
Legg Mason Inc.		--	486,086
Lehman Bros Holdings		--	156,968
Lennar Corporation Class A		--	278,922
Liberty Media Corp.		--	637,978
Liberty Property Trust		--	238,954
Lodgenet Entertainment		--	284,280
Lowes Co.		--	5,115,876
M & T Bank Corp		--	767,018
MacDonald Dettwiler		--	2,526,040
Magna International Inc.		--	732,956
Manhattan Associates Inc.		--	255,120
Manulife Financial Corporation		--	746,451
Marriott International Inc.		--	592,826
Masonite International		--	863,101
Mattel Inc.		--	439,905
MBNA Corp.		--	482,688
McGraw Hill Cos Inc.		--	662,859
Medimmune Inc.		--	412,954
Meridian Gold Inc.		--	178,530
Merrill Lynch & Co.		--	585,426
Metlife Inc.		--	470,967
Metro Goldwyn Mayer		--	526,821
Mi Developments Inc.		--	2,553,676
Microchip Technology		--	152,120
Microsoft Corporation		--	265,122
Millipore Corp		--	542,680
Mohawk Industries Inc.		--	572,271
Monsanto Co		--	239,742
Moodys Corp		--	688,374
Morgan Stanley		--	193,695
Nabors Industries Ltd.		--	3,848,576
National Bank of Canada		--	7,460,531
National Comm Finance Corp		--	342,101
New York Times Co		--	270,004
99 Cents Only Stores		--	406,131

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Nortel Networks Corp		–	24,604,365
Novellus System Inc.		–	126,396
Occidental Pete Corp		–	547,293
Open Text Corporation		–	89,077
Pactiv Corporation		–	102,477
Partnerre Ltd.		–	520,772
Patheon Inc.		–	196,420
Patterson Dental Co.		–	113,996
Penney J C Inc		–	328,046
Pepsico Inc.		–	1,168,446
Petco Animal Supplies		–	677,149
Petro-Canada		–	858,06
Pfizer Inc.		–	1,062,998
Phelps Dodge Corp.		–	1,153,216
Piper Jaffray Cos		–	43,893
Pitney Bowes Inc.		–	460,948
Pogo Producing Co		–	355,646
Potash Corp of Sask		–	1,002,617
PPL Corp		–	344,906
Praxair Inc.		–	462,930
Precision Drilling		–	7,336,874
Proctor & Gamble Co.		–	344,045
Proquest Company		–	322,834
Public Storage Inc.		–	142,905
QLT Inc.		–	6,596,177
Qualcomm Inc.		–	377,147
Reebok International Ltd.		–	428,093
Renaissance RE Holdings		–	1,139,687
Republic Services Inc.		–	409,262
Research in Motion		–	7,837,602
Robet Half International Inc.		–	164,716
Rona Inc.		–	4,599,388
Royal Bank of Canada		–	1,140,485
Sabre Holdings Corp		–	659,967
Schering Plough Corp.		–	92,143
Schwab Charles Corp		–	998,539
Scripps E W Co Ohio		–	487,481
Shoppers Drug Mart		–	3,836,544
Smith International Inc.		–	486,731
SNC-Lavalin Group		–	985,495
St Jude Medical Inc.		–	202,206
Starwood Hotels & Resorts		–	214,813
State Street Corp		–	195,633
Stratos Global Corp		–	3,445,000
Sungard Data Systems		–	605,560

Schedule 2
Teachers' Superannuation Fund
Schedule of Investments Acquired, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Symantec Corporation		–	312,621
Talisman Energy Inc.		–	602,254
Teck Cominco Ltd.		–	7,756,513
Tenet Healthcare		–	247,940
Texas Instruments Inc.		–	617,928
Time Warner Inc.		–	1,227,244
TJX Companies Inc.		–	109,976
3M Company		–	2,192,738
Transcanada Corporation		–	675,153
Tundra Semiconduct		–	1,998,009
United Technologies		–	672,736
Univision Communications Inc.		–	1,449,323
US Bancorp Del.		–	1,210,361
UST Inc.		–	428,645
Valassis Communications		–	233,701
Verizon Communications		–	540,596
Viacom Inc		–	1,026,241
Wachovia Corp		–	543,207
Walmart Stores Inc.		–	1,296,607
Washington Mutual Inc.		–	117,332
Wells Fargo & Co.		–	759,034
WestJet Airlines		–	503,533
Westwood One Inc.		–	603,407
Williams Cos Inc.		–	503,533
Williams Sonoma Inc.		–	311,987
Willis Group Holdings Ltd.		–	479,616
Wrigley William Junior Co.		–	647,472
Wyeth		–	1,403,287
Xilinx Inc.		–	218,367
XL Capital Ltd.		–	470,728
MORTGAGES AND REAL ESTATE:			
Airways III		–	231,850
Albert & Bank		–	2,499,282
Bramalea City Centre		–	847,065
Crossroads Shopping		–	161,588
KS Equities Inc.		–	2,738,895
PFR Voting Class Shares		–	15,000
Production Court		–	999,530
Seven Oaks		–	48,090
Tilbury Equities		–	1,863,450
Victoria Gate		–	947,234
SHORT TERM:		–	740,881,797
TOTAL			**$ 2,629,446,782**

Schedule 3

Teachers' Superannuation Fund

Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
DEBENTURES:			
Government of Canada	Dec. 01, 2003	–	$ 2,287,897
Government of Canada	Jun. 01, 2005	3.50	64,610,498
Government of Canada	Dec. 01, 2005	3.00	398,870,156
Government of Canada	Jun. 01, 2006	3.00	17,634,091
Government of Canada	Sep. 01, 2006	5.75	45,633,060
Government of Canada	Sep. 01, 2008	4.25	86,965,902
Government of Canada	Jun. 01, 2013	5.25	443,376,404
Government of Canada	Jun. 01, 2014	5.00	32,481,540
Government of Canada	Jun. 01, 2033	5.75	224,477,038
Alliance Pipeline	Jun. 30, 2023	7.18	242,463
Bell Canada	Mar. 16, 2035	6.00	1,641,912
Canada Housing Trust	Dec. 15, 2008	4.10	2,036,000
Canadian Imperial Bank of Commerce	Apr. 01, 2004	2.34	999,910
Canadian Tire	Dec. 20, 2007	4.82	2,293,625
Canadian Tire	Jun. 09, 2008	5.70	3,121,295
Citigroup Financial Canada	Aug. 17, 2006	5.75	2,334,370
Citigroup Financial Canada	Jan. 30, 2006	4.05	2,278,417
407 ETR International Inc.	Aug. 15, 2007	9.00	2,429,891
407 ETR International Inc.	Jul. 27, 2009	6.05	4,764,919
Falcon Trust Commission Mtg Srv.	Jan. 15, 2011	5.15	17,461
GE Capital Funding Co.	Jun. 06, 2013	5.15	2,831,299
Genesis Trust	Feb. 15, 2005	6.87	7,973,188
Greater Toronto Airport	Feb. 02, 2034	6.47	1,182,666
Great West Life Cap.	Dec. 31, 2052	6.00	3,044,457
Greystone Capital	Oct. 24, 2007	7.00	200,000
Hollis Receivable Trust	Sep. 21, 2004	6.21	4,234,663
Hydro One Inc.	Nov. 15, 2012	5.77	2,189,644
Loblaw Companies Ltd.	Jun. 02, 2008	6.00	2,504,189
Merrill Lynch Canada	Nov. 19, 2007	5.35	3,222,760
Nova Gas	Jan. 31, 2008	6.00	2,412,032
Ontrea Inc	Apr. 9, 2013	5.57	7,241,684
Province of British Columbia	Jan. 09, 2012	5.75	9,081,172
Province of British Columbia	Dec. 01, 2009	6.25	2,245,761
Province of British Columbia	Jun. 18, 2029	5.70	400,647
Province of British Columbia	Jun. 18, 2031	6.35	7,554,537
Province of Manitoba	Nov. 15, 2018	5.50	958,393
Province of Manitoba	Dec. 03, 2012	5.25	3,223,423
Province of New Brunswick	Apr. 19, 2005	8.75	2,854,987
Province of New Brunswick	Dec. 06, 2012	5.88	7,626,305
Province of New Brunswick	Dec. 27, 2017	6.00	4,724,055
Province of Newfoundland	Oct. 17, 2030	6.55	6,592,981
Province of Nova Scotia	Mar. 15, 2006	5.50	4,958,907
Province of Ontario	Feb. 01, 2006	–	7,448,978

Schedule 3

Teachers' Superannuation Fund

Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Province of Ontario	May 01, 2006	–	15,789,694
Province of Ontario	Mar. 08, 2007	5.20	9,311,958
Province of Ontario	May 30, 2008	–	10,419,479
Province of Ontario	Nov. 19, 2010	6.10	6,273,446
Province of Ontario	Dec. 02, 2011	6.10	12,137,534
Province of Ontario	Dec. 02, 2012	5.38	2,901,287
Province of Ontario	Jun. 02, 2013	4.75	668,265
Province of Ontario	Mar. 08, 2014	5.00	1,872,808
Province of Ontario	Jun. 02, 2027	7.60	533,064
Province of Ontario	Mar. 08, 2029	6.50	4,634,302
Province of Ontario	Jun. 02, 2031	6.20	7,448,179
Province of Quebec	Jun. 01, 2009	5.50	1,612,650
Province of Quebec	Oct. 01, 2012	6.00	1,364,992
Province of Quebec	Jun. 01, 2032	6.25	489,960
Transcanada Pipeline	Jan. 15, 2014	5.65	3,027,992
Province of Saskatchewan	Jun. 02, 2008	5.50	5,462,232
Province of Saskatchewan	Dec. 03, 2012	5.25	473,243
Province of Saskatchewan	Mar. 05, 2029	5.75	779,988
Province of Saskatchewan	Sep. 05, 2031	6.40	818,670
Quebec Fianancement	Dec. 01, 2008	5.75	2,484,246
Quebec Fianancement	Dec. 01, 2015	6.25	1,045,964
RBC Capital Trust	Dec. 31, 2013	5.81	4,233,721
Sun Life Assurance	Jun. 06, 2022	6.15	1,626,750
Swift Trust	Dec. 07, 2008	7.40	4,372,098
Toronto Dominion Bank	Jul. 31, 2012	6.55	2,026,552
Wells Fargo Finance Canada	Jun. 15, 2007	5.50	2,268,137
SHARES:			
Accenture Ltd		–	243,530
Activision Inc.		–	267,829
Aetna Inc.		–	330,698
Alcoa inc.		–	270,190
Allergan Inc.		–	191,694
Alliant Techsystems		–	2,233,201
Altria Group Inc.		–	651,657
Ambac Financial Group		–	902,651
American International Group Inc.		–	402,829
American Standard Co.		–	1,069,759
Amgen Inc.		–	4,525,436
Amphenol Corporation		–	591,896
Anheuser Busch Co.		–	3,915,678
Apache Corp.		–	3,208,534
Apogent Technology Inc.		–	575,675
Aramark Corp.		–	684,120
AutoZone Inc.		–	5,555,420

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Avalonbay Communities		--	203,618
Avocent Corp.		--	578,747
Avon Products Inc.		--	592,385
Bank of America Corporation		--	4,294,878
Bank of Montreal		--	7,494,831
Bank of Nova Scotia		--	8,050,613
Bank One Corporation		--	355,677
Barra Inc.		--	441,876
Barrick Gold Corp.		--	1,941,570
Baxter International Inc.		--	487,389
Best Buy Inc.		--	2,297,652
Bowater Inc.		--	295,502
Brinker International Inc.		--	4,548,607
Brinks Company		--	333,894
Bristol Myers		--	111,878
Burlington Resources		--	660,367
Cablevision System Corp.		--	564,099
Cameco Corporation		--	8,257,867
Canadian Imperial Bank of Commerce		--	1,180,398
Canadian National Railway		--	4,377,487
Canadian Natural Resources		--	8,204,809
Capital One Financial Co.		--	3,203,140
Cardinal Health Inc.		--	4,302,593
Caremark RX Inc.		--	454,618
CDW Corporation		--	428,684
Cendant Corp.		--	819,931
Centurytel Inc.		--	180,523
CGI Group Inc.		--	595,162
Charles River Labs Int.		--	737,081
Checkfree Corp.		--	670,664
Chevron Texaco Corporation		--	2,619,039
Chico's Fas Inc.		--	481,897
C H Robinson Worldwide		--	330,572
Church & Dwight Inc.		--	1,815,696
Cisco Systems Inc.		--	1,018,573
Citadel Broadcasting		--	549,878
Citigroup Inc.		--	4,453,959
Clear Channel Communications		--	732,799
Coach Inc.		--	2,428,197
Coca Cola Co.		--	319,784
Cognos Incorporated		--	349,005
Colgate Palmolive Co.		--	341,449
Computer Association International		--	2,326,397
Conocophillips		--	2,449,198
Cott Corp.		--	604,577

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Countrywide Financial		--	712,441
Covance Inc.		--	465,476
Cox Communications		--	595,658
Crown Castle International		--	271,735
Deere & Co.		--	384,225
Dell Inc.		--	913,282
Dollar Tree Stores		--	614,916
Dominion Resources Inc.		--	228,125
Domtar Inc.		--	12,669,241
Eaton Corp.		--	726,855
EBay Inc.		--	256,252
Echostar Communications		--	936,827
Electronic Arts		--	349,134
Eli Lilly & Co.		--	899,617
EMC Corp Mass.		--	325,424
Encana Corporation		--	5,734,545
Energizer Holdings Inc.		--	356,900
Energy East Corp.		--	253,423
Energy Partners Ltd.		--	154,178
Entercom Communications Corp.		--	419,024
Entergy Corp.		--	491,284
Entravision Communications		--	544,728
Ethan Allen Interior		--	478,818
Exelon Corp.		--	513,456
Express Scripts Inc.		--	118,100
Exxon Mobil Corp.		--	3,174,375
Falconbridge Ltd.		--	477,747
Family Dollar Stores		--	860,670
Federal National Mortgage Association		--	4,939,656
FedEx Corporation		--	2,895,757
Finning International		--	4,475,414
First Data Corp.		--	1,005,872
First West Inc.		--	7,635
Firstenergy Corp.		--	238,024
Fox Entertainment Group Inc.		--	292,623
Freddie Mac		--	1,779,304
Gannett Inc.		--	208,724
Garmin Ltd.		--	109,081
General Electric Co.		--	3,867,759
General Motors		--	398,889
Gentex Corp.		--	570,242
Golden West Financial		--	208,875
Grainger W W Inc.		--	477,871
Greystone EAFE Plus Fund		--	20,070,000

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Harman International Industries		–	831,258
Harrahs Entertainment Inc.		–	775,262
Health Management Association		–	491,243
Hewlett Packard Co.		–	385,272
Home Depot Incorporated		–	2,367,603
Hooper Holmes Inc.		–	450,287
Idec Pharmaceuticals		–	328,195
Integrated Circuit		–	299,215
Intel Corporation		–	3,527,874
International Business Machines Corp.		–	345,103
Intuit		–	664,013
Ipsco Inc.		–	1,072,198
Iron Mountain Inc.		–	125,520
Istar Financial Inc.		–	356,542
ITT Educational Services		–	398,997
ITT Industries Inc.		–	2,574,426
Johnson & Johnson		–	937,108
J C Penney Inc.		–	327,183
JP Morgan Chase & Co.		–	483,192
KB Home		–	2,564,771
Keycorp		–	208,646
KLA-Tencor Corp		–	388,194
Laboratory Corporation of America		–	3,382,716
Lamar Advertising Co.		–	1,167,469
Legg Mason Inc.		–	512,014
Lehman Brothers Holdings		–	156,293
Lennar Corporation		–	3,631,215
Liberty Media Corp.		–	613,078
Liberty Property Trust		–	238,707
Loblaw Companies Ltd.		–	2,096,109
Lodgenet Entertainment		–	280,269
Lowes Co.		–	2,424,001
M & T Bank Co.		–	784,289
Magna International Inc.		–	13,750,679
Manhattan Associates Inc.		–	243,553
Manulife Financial Corp.		–	2,500,836
Marriott International Inc.		–	591,484
Masonite International		–	3,832,796
Mattel Inc.		–	431,964
MBNA Corp.		–	481,308
McGraw Hill Companies Inc.		–	671,777
Medimmune Inc.		–	376,344
Meridian Gold Inc.		–	276,480
Merrill Lynch & Co.		–	577,617
Metlife Inc.		–	466,101

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Metro Goldwyn Mayer		–	531,861
Microchip Technology		–	154,286
Microsoft Corp.		–	5,144,297
Mi Developments Inc.		–	2,576,068
Millipore Corp.		–	539,774
Mohawk Industries Inc.		–	4,105,248
Molson Inc.		–	10,177,613
Monsanto Co.		–	247,586
Moodys Corp.		–	687,740
Morgan Stanley		–	189,994
99 Cents Only Stores		–	419,388
Nabors Industries Ltd.		–	1,552,049
National Bank of Canada		–	1,553,504
National Commerce Corporation		–	347,002
New York Times Co.		–	269,502
Nortel Networks Corp.		–	1,171,125
Novellus System Inc.		–	122,502
Occidental Pete Corp.		–	3,805,720
Open Text Corporation		–	777,560
Pactiv Corp.		–	4,935,612
Partnerre Ltd.		–	529,159
Patterson Dental Co.		–	113,930
Penn West Pete Ltd.		–	11,590,039
Pepsico Inc.		–	1,159,488
Petco Animal Supplies		–	663,513
Petro-Canada		–	8,352,751
Pfizer Incorporated		–	3,345,575
Piper Jaffray Companies		–	54,003
Pitney Bowes Inc.		–	452,236
Pogo Producing Co.		–	346,928
Potash Corporation of Saskatchewan		–	1,096,045
Power Corporation of Canada		–	5,873,404
Power Financial Corp.		–	10,256,682
PPL Corporation		–	335,983
Praxair Inc.		–	2,341,436
Procter & Gamble Co.		–	3,896,918
Proquest Company		–	307,825
Public Storage Inc.		–	140,323
Qualcomm Inc.		–	4,163,453
Reebok International Ltd.		–	436,715
Renaissance Holdings Ltd.		–	1,103,313
Republic Services Inc.		–	406,335
Robert Half International Inc.		–	165,033
Royal Bank of Canada		–	17,287,057
Sabre Holding Corp.		–	694,182

Schedule 3
Teachers' Superannuation Fund
Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Saputo Inc.		–	625,730
Schering Plough Corp.		–	87,816
Schwab Charles Corp.		–	959,343
Scripps E W Co.		–	486,229
Shoppers Drug Mart		–	1,305,962
Smith International Inc.		–	467,138
SNC -Lavalin Group		–	1,486,354
St. Jude Medical Inc.		–	200,407
Starwood Hotels & Resources		–	209,639
State Street Corp.		–	193,093
Sungard Data Systems		–	565,008
Symantec Corporation		–	7,386,749
Talisman Energy Inc.		–	2,564,905
Teck Cominco Ltd.		–	395,656
Tenet healthcare		–	205,121
Texas Instruments Incorporated		–	3,687,313
Time Warner Inc.		–	1,189,937
TJX Companies Inc.		–	4,052,885
Transcanada Corp.		–	11,879,397
United Technologies		–	673,985
Univision Communication Inc.		–	1,446,820
US Bancorp		–	2,218,946
Ust Inc.		–	430,751
Valassis Communications		–	239,351
Verizon Communications		–	559,569
Viacom Inc.		–	1,034,823
Wachovia Corp.		–	535,831
Wal-Mart Stores Inc.		–	1,272,279
Washington Mutual Inc.		–	5,469,847
Wells Fargo & Co.		–	745,512
WestJet Airlines		–	843,847
Westwood One Inc.		–	590,067
Williams Cos.		–	497,316
Williams Sonoma Inc.		–	328,268
Willis Group Holding Ltd.		–	501,317
Wrigley Wm Jr. Co.		–	648,096
Wyeth		–	1,376,669
Xilinx Inc.		–	211,502
XL Capital Ltd.		–	462,938
MORTGAGES AND REAL ESTATE:			
5876 Coopers		–	875,871
Bramalae City Center		–	1,510,000
Coopers Ave F P		–	501,642
Dixie Steeles		–	3,802,282

Schedule 3

Teachers' Superannuation Fund

Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
Enterprise Property		–	2,063,547
Glendale Lodge Society		–	949,359
Meridian Business Centre		–	22,388
Parkway Office		–	74,422
Pensionfund Realty		–	24,000
Victoria Gate		–	21,758
Weyburn Square		–	1,946,822
SHORT-TERM:		–	769,289,558
TOTAL			**$ 2,738,789,345**

Schedule 4
Teachers' Voluntary Contributions Fund
Schedule of Investments and Accrued Interest, As At June 30, 2004

Investments	2004 Total Valued At Market ($000s)	2004 Accrued Interest ($000s)	2003 Total Valued at Market ($000s)	2003 Accrued Interest ($000s)
Pooled Funds	$ 3,014	–	$ 2,764	–
Short Term	217	–	283	–
Total	$ 3,231	–	$ 3,047	–

Schedule 5
Voluntary Contributions Fund
Schedule of Investments Acquired, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
POOLED FUNDS:			
Greystone Canadian Equity Fund		–	$ 25,289
Greystone EAFE Plus Fund		–	2,769
Greystone US Equity Fund		–	31,037
Greystone Fixed Income Fund		–	117,063
SHORT-TERM:		–	6,816
TOTAL			**$ 182,974**

Schedule 6
Voluntary Contributions Fund
Schedule of Investments Disposed, Year Ended June 30, 2004

Investments	Maturity Date	Interest Rate	Market Value
POOLED FUNDS:			
Greystone Canadian Equity Fund		–	$ 58,650
Greystone EAFE Plus Fund		–	3,750
Greystone US Equity Fund		–	4,650
Greystone Fixed Income Fund		–	61,050
SHORT-TERM:		–	72,653
TOTAL			**$ 200,753**

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